



Washington
BEER
Commission

2012
Annual Report

PURPOSE

The Washington Beer Commission was ratified by the Washington State Legislature on September 6, 2006 as an Agricultural Commodity Commission, becoming the first commodity commission for craft beer in the U.S.

Through RCW 15.89 the state granted the commission the opportunity to produce up to 12 beer tasting festivals per year and to use the proceeds to promote and market Washington's craft breweries. An assessment of ten-cents per barrel produced by each brewery (with a cap assessment of \$1,000) was also a part of the legislation.

Washington state now boasts 162 breweries and is still the only state in the nation with a beer commission.



MISSION

To promote Washington beer, benefit the state's breweries, and increase awareness and demand.

VISION

To be universally recognized as the preferred choice of beer drinkers everywhere, respected for quality and innovation.

Commissioners - 2012

- **Chairman** - **Allen Rhoades**, *Anacortes Brewery, Anacortes*
- **Secretary** - **Doug Hindman**, *Elliott Bay Brewing, Seattle/Burien*
- **Treasurer** - **Janelle Pritchard**, *Trade Route Brewing, Seattle*
- **Treasurer** - **Neil Fallon***, *American Brewing, Edmonds*
- **Mark Irvin**, *No-Li Brewery, Spokane*
- **Greg Parker**, *Iron Horse Brewery, Ellensburg*
- **Matt Lincecum**, *Fremont Brewing, Seattle*
- **Jason Kelly**, *Department of Agriculture representative*
- **Rebecca Elias***, *Department of Agriculture representative*

**Neil Fallon and Rebecca Elias began terms in November of 2012.*



Past Commissioners

2006

George Hancock (Chairman) - *Pyramid Brewing*
Doug Hindman (Secretary) - *Elliott Bay Brewing*
Bob Maphet (Treasurer) - *Diamond Knot Brewing*
Mark Irvin - *Northern Lights Brewing*
Allen Rhoades - *Anacortes Brewing*
Jeff Smiley - *Baron Brewing*
David Mudd - *WSDA*

2007

George Hancock (Chairman) - *Pyramid Brewing (resigned on November 13, 2007)*
Doug Hindman (Secretary) - *Elliott Bay Brewing*
Bob Maphet (Treasurer) - *Diamond Knot Brewing*
Mark Irvin - *Northern Lights Brewing*
Allen Rhoades - *Anacortes Brewing*
Jeff Smiley - *Baron Brewing*
David Mudd - *WSDA*

2008

Allen Rhoades (Chairman) - *Anacortes Brewing (elected Chairman January 28, 2008)*
Doug Hindman (Secretary) - *Elliott Bay Brewing*
Bob Maphet (Treasurer) - *Diamond Knot Brewing*
Mark Irvin - *Northern Lights Brewing*
Jeff Smiley - *Baron Brewing*
Greg Parker - *Iron Horse Brewing*
David Mudd - *WSDA*

2009

Allen Rhoades (Chairman) - *Anacortes Brewing*
Doug Hindman (Secretary) - *Elliott Bay Brewing*
Bob Maphet (Treasurer) - *Diamond Knot Brewing (resigned November 10, 2009)*
Mark Irvin - *Northern Lights Brewing*
Jeff Smiley - *Baron Brewing*
Greg Parker - *Iron Horse Brewing*
David Mudd - *WSDA*

2010

Allen Rhoades (Chairman) - *Anacortes Brewing*
Doug Hindman (Secretary) - *Elliott Bay Brewing*
Janelle Pritchard (Treasurer) - *Snoqualmie Brewing (elected January 10, 2012)*
Mark Irvin - *Northern Lights Brewing*
Jeff Smiley - *Baron Brewing (term expired October 31, 2010)*
Matt Lincecum - *Fremont Brewing (term began November 1, 2010)*
Greg Parker - *Iron Horse Brewing*
David Mudd - *WSDA (resigned July 13, 2010)*
Jason Kelly - *WSDA (started September 7, 2010)*

2011

Allen Rhoades (Chairman) - *Anacortes Brewing*
Doug Hindman (Secretary) - *Elliott Bay Brewing*
Janelle Pritchard (Treasurer) - *Trade Route Brewing*
Mark Irvin - *Northern Lights Brewing*
Matt Lincecum - *Fremont Brewing*
Greg Parker - *Iron Horse Brewing*
Jason Kelly - *WSDA*



WHO WE ARE

The Washington Beer Commission, the first of its kind commodity commission in the United States, was ratified in September of 2006, when the Washington State Legislature authorized the creation of the Beer Commission to promote the state's microbreweries.

OUR MISSION

Since 2007, the Commission has been putting on as many as six festivals each year in order to showcase for the public some of the state's many fresh, locally produced, and award-winning ales and lagers. More than 29,000 people each year attend these events, where they have an opportunity to interact with some of the brewers and owners from many of the state's more than 160 small, craft breweries.

In October of 2009 the Commission hired Eric Radovich as its Executive Director. Radovich has more than 15 years of experience in marketing, public relations, and event planning. "After an extensive search for a high caliber marketing professional who can also produce successful events and serve as a strong representative of the brewing industry, we are very excited to have Eric on board to take the Washington Beer Commission to the next level," commented David Mudd, member of the Washington Beer Commission and head of the Executive Director search committee.

Under Radovich's direction the Commission has grown from \$460,000 to \$830,000 in annual revenue and more than \$98,000 in event proceeds has been spent on promotion and marketing of the state's craft breweries. The Commission is poised for continued growth and is working on new programs and initiatives aimed at raising the awareness of the great quality and value of Washington brewed beer while benefitting all of the state's craft breweries.

OUR IMPACT

The brewing industry in Washington contributes significantly to the economic vitality of our state. According to the Beer Institute, the direct economic impact, when coupled with the revenue generated by way of distributors and retailers, totaled in excess of \$1.2 billion in 2010.

Business and personal tax revenue in the same year topped \$500 million. In addition, over \$200 million were paid in federal, state, and local consumption taxes as a result of beer industry-related transactions in Washington. (source: Beer Institute)

Washington's breweries, many of them small and family owned, are integral parts of their local communities. When you choose to buy beer brewed in Washington, you support businesses that provide local jobs and contribute to the state's tax base. Many of these breweries are also generous contributors to charitable organizations supporting a host of worthy causes statewide.



Simply put, Washington produces some of the finest beer in the country and our new Beer Commission will help spread the word about these wonderful products. Our microbrews emphasize quality and flavor, and are a signature product of the Evergreen State. And our renowned hops, barley and wheat are the perfect premium ingredients for the nation's best craft brewers.

Valoria Loveland
Former Director
Washington Department of Agriculture



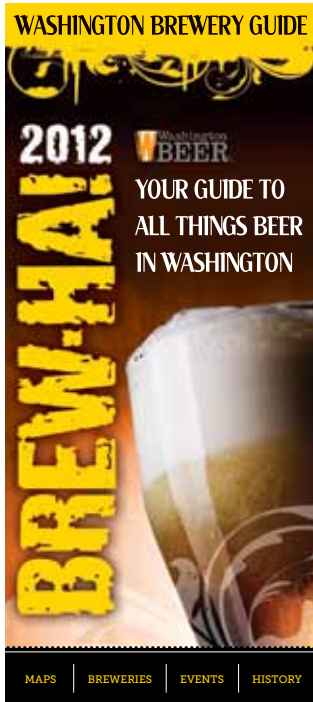
Festivals

The Washington Beer Commission is proud to put on six beer tasting festivals around the state as a way to showcase many of the 162 craft breweries in Washington.

These beer tasting festivals are unique either to the season in which they take place or to the style of beers to be featured. Each of them boast at least 70 different Washington craft beers to choose from!



Marketing & Promotions



2012 Brew-Ha! – Includes info and state brewery map. 60,000 distributed statewide.



Open House – 50 breweries opened their doors in 2012.



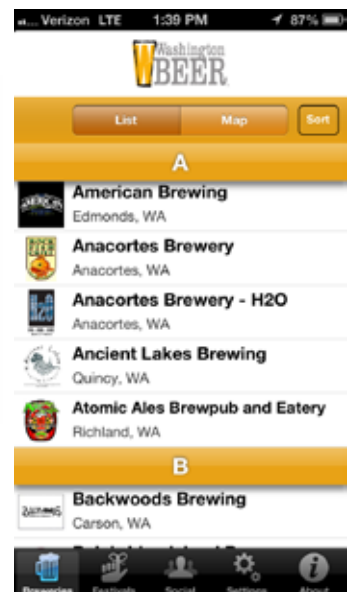
Washington Beer coasters – 100,000 distributed statewide to breweries, bars, and restaurants.



Seattle magazine – Cover story in October 2011, seven page spread in October 2012 listing every state brewery.



Bottle Caps – 400,000 available for brewery use.

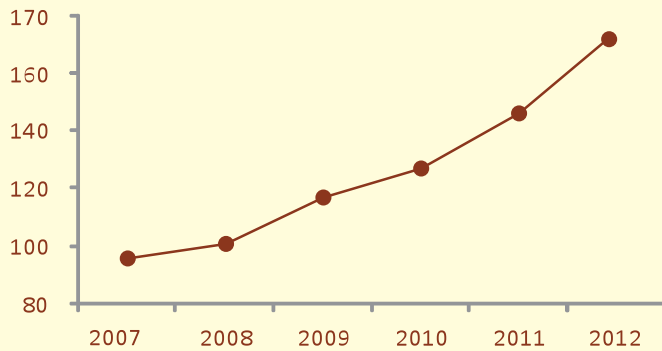


WA Beer Mobile App – More than 4,100 downloads

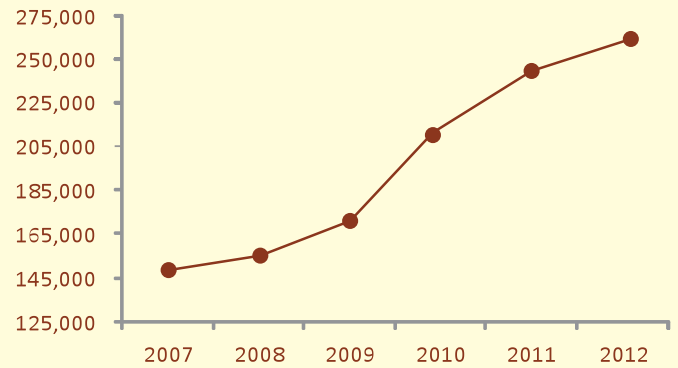
Washington Beer Commission By the Numbers

January 2007 through December 2012

Washington Breweries

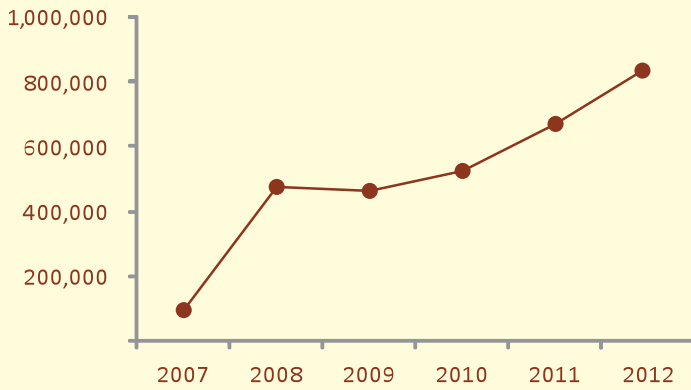


Barrels of Beer Produced*

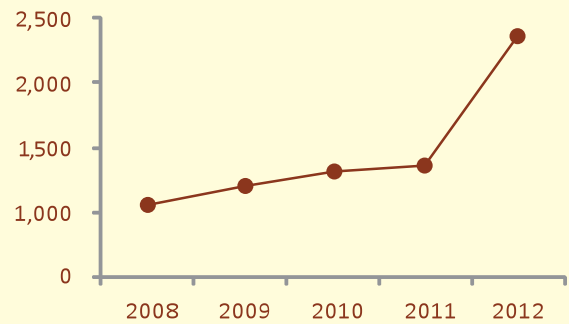


*These numbers are total for all WA craft breweries excluding Redhook

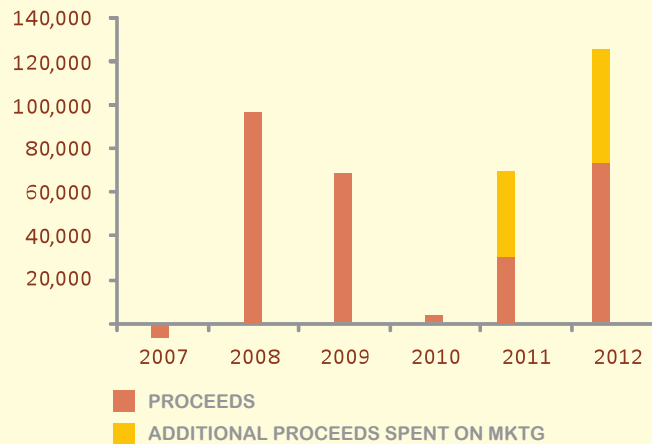
WBC Gross Revenue



W.A.B.I. Members



Overall WBC Financials



Washington Beer Commission Profit & Loss YTD Comparison

January 2010 through December 2012

	Jan - Dec 10	Jan - Dec 11	Jan - Dec 12	TOTAL
Ordinary Income/Expense				
Income				
Advertising Sales	1,750.00	600.00	1,400.00	3,750.00
Event Registration	31,406.00	35,090.00	36,905.00	103,401.00
Event Sales	459,593.40	584,435.05	708,030.95	1,752,059.40
Other Types of Income	1,791.35	0.00	79.00	1,870.35
Over/Short	0.00	0.00	-20.30	-20.30
Parking	9,077.50	14,222.25	-24.00	23,275.75
Program Income/Assessments	10,504.96	16,493.16	18,313.71	45,311.83
Sponsors	10,180.00	20,500.00	15,000.00	45,680.00
WABL	0.00	0.00	52,873.70	52,873.70
Total Income	524,303.21	671,340.46	832,558.06	2,028,201.73
Cost of Goods Sold				
Beer	74,118.87	100,881.94	128,783.38	303,784.19
Beverages Other	119.00	250.50	1,614.72	1,984.22
Food from Commission	0.00	99.98	0.00	99.98
Merchandise	13,934.85	26,659.66	52,105.15	92,699.66
Wine	159.60	3,125.00	2,631.75	5,916.35
Total COGS	88,332.32	131,017.08	185,135.00	404,484.40
Gross Profit	435,970.89	540,323.38	647,423.06	1,623,717.33
Expenses				
Admin/Operations	23,448.34	14,121.14	23,934.86	61,504.34
Advertising	31,634.44	33,354.02	41,862.28	106,850.74
Bad Debt	0.00	2,654.96	235.79	2,890.75
Banking and Interest Fees	2,500.66	3,660.68	8,777.85	14,939.19
Business Expenses	254.00	1,882.00	3,185.84	5,321.84
Contract Services	200,457.39	218,277.79	261,343.79	680,078.97
Entertainment/Music	11,370.67	7,800.00	10,400.00	29,570.67
Event Printing	7,172.99	12,508.31	6,841.49	26,522.79
Facilities and Equipment	98,375.85	114,482.21	132,504.12	345,362.18
Festivals Materials	27,943.95	29,368.88	51,783.93	109,096.76
Marketing / Promotion	0.00	40,002.69	56,252.27	96,254.96
Other Types of Expenses	19,327.88	15,583.80	1,254.00	36,165.68
Taxes	3,617.78	8,242.99	2,040.60	13,901.37
Travel and Meetings	7,865.98	2,155.28	2,225.25	12,246.51
Unknown	0.00	0.00	0.00	0.00
Void	0.00	0.00	0.00	0.00
Volunteers	40.00	0.00	0.00	40.00
Web Site	3,745.15	48.68	327.92	4,121.75
Total Expense	437,755.08	504,143.43	602,969.99	1,544,868.50
Net Ordinary Income	-1,784.19	36,179.95	44,453.07	78,848.83
Other Income/Expense				
Other Income				
Earned Income	3.52	31.46	60.39	95.37
Total Other Income	3.52	31.46	60.39	95.37
Net Other Income	3.52	31.46	60.39	95.37
Net Income	-1,780.67	36,211.41	44,513.46	78,944.20

Washington Beer Commission

Profit & Loss Budget vs. Actual - Overall

January through December 2012

	Jan - Dec 12	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
Advertising Sales	1,400.00	1,600.00	-200.00	87.5%
Event Registration	36,905.00	38,900.00	-1,995.00	94.9%
Event Sales	708,030.95	644,450.00	63,580.95	109.9%
Other Types of Income	9.00			
Over/Short	-20.30			
Parking	-24.00			
Program Income/Assessments	18,313.71	14,000.00	4,313.71	130.8%
Sponsors	15,000.00	22,000.00	-7,000.00	68.2%
WABL	52,873.70			
Total Income	832,558.06	720,950.00	111,608.061	15.5%
Cost of Goods Sold				
Beer	128,783.38	116,500.00	12,283.38	110.5%
Beverages Other	1,614.72	800.00	814.72	201.8%
Food from Commission	0.00	700.00	-700.00	0.0%
Merchandise	52,105.15	28,000.00	24,105.15	186.1%
Wine	2,631.75	2,500.00	131.75	105.3%
Total COGS	185,135.00	148,500.00	36,635.00	124.7%
Gross Profit	647,423.06	572,450.00	74,973.06	113.1%
Expenses				
Admin/Operations	23,934.86	18,555.00	5,379.86	129.0%
Advertising	41,862.28	49,600.00	-7,737.72	84.4%
Bad Debt	235.79			
Banking and Interest Fees	8,777.85	3,500.00	5,277.85	250.8%
Business Expenses	3,185.84	350.00	2,835.84	910.2%
Contract Services	261,343.79	249,500.00	11,843.79	104.7%
Entertainment/Music	10,400.00	12,900.00	-2,500.00	80.6%
Event Printing	6,841.49	11,300.00	-4,458.51	60.5%
Facilities and Equipment	132,504.12	126,300.00	6,204.12	104.9%
Festivals Materials	51,783.93	52,050.00	-266.07	99.5%
Marketing / Promotion	56,252.27	34,950.00	21,302.27	161.0%
Other Types of Expenses	1,254.00	2,460.00	-1,206.00	51.0%
Taxes	2,040.60	4,950.00	-2,909.40	41.2%
Travel and Meetings	2,225.25			
Unknown	0.00			
Void	0.00			
Web Site	327.92	1,050.00	-722.08	31.2%
Total Expense	602,969.99	567,465.00	35,504.99	106.3%
Net Ordinary Income	44,453.07	4,985.00	39,468.07	891.7%
Other Income/Expense				
Other Income				
Earned Income	60.39			
Total Other Income	60.39			
Net Other Income	60.39	0.00	60.39	100.0%
Net Income	44,513.46	4,985.00	39,528.46	892.9%

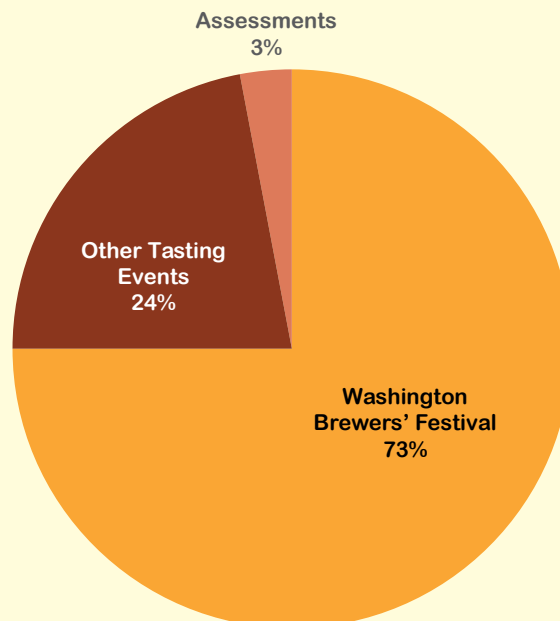
Washington Beer Commission

Profit & Loss Budget vs. Actual - Washington Brewers Festival

January through December 2012

	Jan - Dec 12	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
Advertising Sales	1,400.00	1,600.00	-200.00	87.5%
Event Registration	21,455.00	22,300.00	-845.00	96.2%
Event Sales	433,393.543	02,200.00	131,193.54	143.4%
Sponsors	12,700.00	10,000.00	2,700.00	127.0%
Total Income	468,948.54	336,100.00	132,848.54	139.5%
Cost of Goods Sold				
Beer	78,206.32	60,000.00	18,206.32	130.3%
Beverages Other	1,614.725	500.00	1,114.72	322.9%
Merchandise	13,838.66	10,000.00	3,838.66	138.4%
Wine	2,631.75			
Total COGS	96,291.45	70,500.00	25,791.45	136.6%
Gross Profit	372,657.09	265,600.00	107,057.09	140.3%
Expense				
Admin/Operations	8,079.03	7,300.00	779.031	10.7%
Advertising	21,024.512	0,500.00	524.51	102.6%
Banking and Interest Fees	4,017.11	2,600.00	1,417.11	154.5%
Contract Services	77,407.12	72,350.00	5,057.12	107.0%
Entertainment/Music	6,300.00	7,000.00	-700.00	90.0%
Event Printing	4,290.36	6,800.00	-2,509.64	63.1%
Facilities and Equipment	63,861.30	60,000.00	3,861.30	106.4%
Festivals Materials	22,955.33	23,600.00	-644.67	97.3%
Other Types of Expenses	180.00	450.00	-270.00	40.0%
Travel and Meetings	42.10			
Total Expense	208,156.86	200,600.00	7,556.86	103.8%
Net Ordinary Income	164,500.23	65,000.00	99,500.23	253.1%
Net Income 1	64,500.23	65,000.00	99,500.23	253.1%

Washington Beer Commission Percentage of Proceeds 2012





1501 North 200th Street
Suite 111
Shoreline, WA 98133

206.787.1989

washingtonbeer.com

